Date of Hearing: May 13, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Buffy Wicks, Chair
AB 1990 (Gipson) – As Amended April 23, 2026

Policy Committee:	Business and Professions	Vote:	17 - 1
	Privacy and Consumer Protection		15 - 0

Urgency: No State Mandated Local Program: Yes Reimbursable: No

SUMMARY:

This bill prohibits the sale, transfer, or distribution of a compounded drug using a glucagon-like peptide-1 receptor agonist (GLP-1) or glucose-dependent insulinotropic polypeptide receptor drug used for obesity or weight management or a component of a generic equivalent unless the compounder follows specified standards and requirements, including quality control testing. The bill also provides that it is unlawful for any person to advertise compounded medications unless the advertisement is truthful and not misleading, as defined.

FISCAL EFFECT:

Costs of an unknown but potentially significant amount to the Board of Pharmacy (Board). The Board anticipates this bill will result in longer and more complex inspections and investigations, potentially increasing operational costs; however, the net cost is uncertain because the bill also establishes automatic fines that could offset some expenses. The Board also notes that additional costs may arise from due-process requirements for license revocations and potential legal challenges, but is unable to project the extent of these costs (Pharmacy Board Contingent Fund).

The Department of Consumer Affairs, Office of Information Services estimates costs of $800 to add new enforcement codes (Consumer Affairs Fund).

COMMENTS:

1) **Purpose.** According to the author:

> [This bill] protects patients by ensuring compounded GLP-1 agonist and similar drugs for weight loss are safe, high quality, and honestly marketed. As these medications—such as semaglutide and tirzepatide—have grown in popularity for weight management, demand has surged across the country. During initial supply shortages, many patients turned to compounded versions of these medications when FDA-approved products were difficult to access. These products are not reviewed or approved by the FDA and are not subject to the same rigorous standards for safety, quality, and consistency as approved medications.

> Patients seeking out GLP-1s from telehealth providers may erroneously believe they are purchasing an FDA-approved and regulated treatment. [This bill] seeks to increase transparency and establish safeguards so patients are appropriately informed of the unapproved status of the drugs they are purchasing and make sure they understand the differences between unapproved, compounded drugs and FDA-approved therapies.

2) **Background.** GLP-1 medications are a class of prescription drugs originally intended to manage type-2 diabetes. By mimicking the action of a naturally occurring gut hormone, these medications help stimulate insulin release in response to food and suppress glucagon (a hormone that raises blood sugar). GLP-1 medications also slow digestion to prolong fullness, and act on brain appetite centers to reduce hunger and food cravings, making them effective for weight management.

   Ozempic, a GLP-1 drug created by Novo Nordisk, held FDA-approval as a treatment for diabetes for several years leading up to 2021, when the same drug at a different dosage, Wegovy, was approved for weight loss. The resulting exponential growth in demand for Ozempic led to nationwide shortages and steep prices. In 2022, FDA placed Wegovy and Ozempic on the FDA's drug shortage list, as thousands of pharmacists struggled with backorders and had to turn away patients looking to refill medications. To cope with demand, the FDA temporarily allowed pharmacists to sell compounded versions of the medication. Compounded medications do not undergo the rigorous testing and quality assurance that FDA-approved medicines do. By November 2024, the FDA had received over 600 reports of adverse events related to compounded semaglutide and tirzepatide, the active ingredients in GLP-1 weight loss medications.

   The FDA announced the end of the GLP-1 shortage on February 21, 2025. Without the FDA exemptions allowed because of the shortage, compounders were no longer allowed to produce and sell large quantities of GLP-1 medications. Since then, the Federal Trade Commission and FDA have taken action against telehealth companies and pharmaceutical companies for making unlawful claims to consumers about weight loss achieved by consumers and that compounded drugs are the same as FDA-approved products.

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